



State of South Carolina

AMENDMENT NO. THREE

Solicitation Number: 2000175193.
Date Issued: February 25, 2011
Procurement Officer: Michelle Robison, CPPB
Phone: 803-898-3469
E-Mail Address: robinsnma@dhec.sc.gov

DESCRIPTION: **Provide Pharmacy Benefit Management (PBM) Services**

USING GOVERNMENTAL UNIT: **South Carolina Department of Health and Environmental Control**

The Term "Offer" Means Your "Bid" or "Proposal". Your offer must be submitted in a sealed package. Solicitation Number & Opening Date must appear on package exterior. See "Submitting Your Offer" provision.

SUBMIT YOUR SEALED OFFER TO EITHER OF THE FOLLOWING ADDRESSES:

MAILING ADDRESS:

SC DHEC – Division of Procurement Services
Bureau of Business Management
2600 Bull Street
Columbia, S.C. 29201

PHYSICAL ADDRESS:

SC DHEC – Division of Procurement Services
Bureau of Business Management
2600 Bull Street, Room 120 – Aycock Bldg.
Columbia, S.C. 29201

SUBMIT OFFER BY (Opening Date/Time): **02/15/2011 2:30 pm** (See "Deadline For Submission Of Offer" provision)

QUESTIONS MUST BE RECEIVED BY: **02/07/2011 5:00 pm** (See "Questions From Offerors" provision)

NUMBER OF COPIES TO BE SUBMITTED: **One (1) original and three (3) copies marked as "Copy"**

CONFERENCE TYPE: **Not Applicable**

DATE & TIME:

(As appropriate, see "Conferences - Pre-Bid/Proposal" & "Site Visit" provisions)

LOCATION: **Not Applicable**

**AWARD &
AMENDMENTS**

Award will be posted on **03/01/2011**. The award, this solicitation, any amendments, and any related notices will be posted at the following web address: <http://www.procurement.sc.gov>

Unless submitted on-line, you must submit a signed copy of this form with Your Offer. By submitting a bid or proposal, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of **sixty (60)** calendar days after the Opening Date. (See "Signing Your Offer" and "Electronic Signature" provisions.)

NAME OF OFFEROR

(full legal name of business submitting the offer)

Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror. The entity named as the offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, i.e., a separate corporation, partnership, sole proprietorship, etc.

AUTHORIZED SIGNATURE

(Person must be authorized to submit binding offer to contract on behalf of Offeror.)

TAXPAYER IDENTIFICATION NO.

(See "Taxpayer Identification Number" provision)

TITLE

(business title of person signing above)

STATE VENDOR NO.

(Register to Obtain S.C. Vendor No. at www.procurement.sc.gov)

PRINTED NAME

(printed name of person signing above)

DATE SIGNED

STATE OF INCORPORATION

(If you are a corporation, identify the state of incorporation.)

OFFEROR'S TYPE OF ENTITY: (Check one)

(See "Signing Your Offer" provision.)

☐ Sole Proprietorship

☐ Partnership

☐ Other _____

☐ Corporate entity (not tax-exempt)

☐ Corporation (tax-exempt)

☐ Government entity (federal, state, or local)

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PAGE TWO**(Return Page Two with Your Offer)**

HOME OFFICE ADDRESS (Address for offeror's home office / principal place of business)	NOTICE ADDRESS (Address to which all procurement and contract related notices should be sent.) (See "Notice" clause)		
	Number - Extension	Facsimile	Area Code -
	E-mail Address		

PAYMENT ADDRESS (Address to which payments will be sent.) (See "Payment" clause)	ORDER ADDRESS (Address to which purchase orders will be sent) (See "Purchase Orders and "Contract Documents" clauses)	
<input type="checkbox"/> Payment Address same as Home Office Address <input type="checkbox"/> Payment Address same as Notice Address (check only one)	<input type="checkbox"/> Order Address same as Home Office Address <input type="checkbox"/> Order Address same as Notice Address (check only one)	

ACKNOWLEDGMENT OF AMENDMENTS							
Offerors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See "Amendments to Solicitation" Provision)							
Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date

DISCOUNT FOR PROMPT PAYMENT (See "Discount for Prompt Payment" clause)	10 Calendar Days (%)	20 Calendar Days (%)	30 Calendar Days (%)	____ Calendar Days (%)

AMENDMENT 3

Description: Provide Pharmacy Benefit Management (PBM) Services

Using Governmental Unit: South Carolina Department of Health and Environmental Control

AMENDMENTS TO SOLICITATION (DHEC – FEB 2007)

- (a) The Solicitation may be amended at any time prior to opening. All actual and prospective Offerors should monitor the following web site for the issuance of Amendments: <http://www.scdhec.gov/procurement/>
- (b) Offerors shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on Page Two, (3) by letter, or (4) by submitting a bid that indicates in some way that the bidder received the amendment.
- (c) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

1. **The closing date for the above referenced RFP has been changed to:**

SUBMIT OFFER BY (Opening Date/Time): **March 15, 2011 - 2:30 pm ET**

2. **The award posting date for the above referenced RFP has been changed to:**

Award will be posted on **April 11, 2011**

3. **Maximum Contract Period has been changed to:** From Date of Award to December 31, 2013

4. **Specifications/Scope of Work Changes:** Add: 3.11.6. The program will evaluate contract extension in the fourth (4th) quarter of 2012.

3.8 Pharmacy Requirements – Add: The PBM can contract with just a mail-order pharmacy (with no retail pharmacy network) provided – **A**). The mail order pharmacy is able to bill or work with ALL Medicare Part D plans. **B**). The mail order pharmacy is able to provide access to clients throughout South Carolina

VENDOR QUESTIONS AND ANSWERS

Vendor 1

1. Will DHEC accept proposal submissions for PBM services utilizing a sole source mail order pharmacy?

Answer: See this amendment (Amendment 3) changes in Specifications/ Scope of Work – Pharmacy Requirements.

2. Is a copy of the RFP available via Microsoft Word (.doc)? If not, can DHEC provide a “cleaner” copy of the RFP?

Answer: A word document is available upon request. Please be aware that NO changes can be made to this document, you can ONLY incorporate your response.

3. To be in compliance with the RFP submission due date of 2/15/11, would it be permissible not to include the Business Associate Agreement (BAA) as part of this RFP response and instead address it as part of contracting?

Answer: Offeror's may sign DHEC's Business Associate Agreement and submit with their response to the solicitation. By submission of an offer, Contractor's are agreeing to sign DHEC's Business Associate Agreement prior to performance.

4. Would DHEC consider extending the RFP response due date to Friday, February 18, 2011?

Answer: See this amendment (Amendment 3) extending the date to **March 15, 2011**.

Vendor 2

1. What is client level data? What are the specific data requirements included?

Answer: As listed on Page 17, 3.4.9. C, client level data will include data elements such as patient name, SSN, date of birth, demographics. This will be a part of the monthly report (listed in 3.4.9). DHEC will set up a transition meeting with the successful Contractor to discuss the data elements required for the monthly report.

2. Will this program require us to pay the catastrophic portion of the Medicare Part D beneficiaries TrOOP expenses? Or will the vendor pay until a patient reaches catastrophic?

Answer: Yes. DHEC will require the Contractor to pay for the catastrophic portion of Med D beneficiaries TrOOP expenses.

3. What data categories will be required for monthly program invoicing? Is there an example invoice that can be made available?

Answer: The data categories are listed on Page 17, Item 3.4.9.

4. Additional clarification regarding which drugs will be covered. Will the PBM be required to pay for all drugs on a beneficiaries/clients' Medicare Part D plan or those covered by both the plan and the South Carolina ADAP Formulary?

Answer: The PBM will be required to pay only for the drugs that are covered by the Med D Plan and SC ADAP formulary. DHEC will reimburse the Contractor for the dispenses made for SC ADAP formulary drugs that are NOT covered by the Med D plan. (Refer to Page 16-17 – 3.4.5)

5. Will the contractor have to re-verify patient eligibility once the electronic data list is received? Or will all patient data be complete before transmission?

Answer: Yes. The PBM will be required to re-verify eligibility. The Contractor will be responsible for validating the client's Medicare Part D coverage and any other potential insurance coverage benefits. ADAP is required to maintain the status of "payer of last resort". The Contractor will ensure that ADAP is billed as a secondary or tertiary payer, when appropriate. The program itself

routinely evaluates client's benefits, and hence does not anticipate that its clients would be covered by other insurance apart from Medicare Part D.
(Refer to Page 16 – 3.4.2)

6. What specific information will be included in the electronic data list?

Answer: The electronic eligibility file submitted to the PBM will include client level data (patient's full name, SSN, date of birth, demographics). If required, DHEC will assess additional data elements required by the successful Contractor. (Refer to Page 16-17 – 3.4.5-3.4.9)

7. In our experience administering the Virginia HIV SPAP there were holes in the client level data received from the health department. [REDACTED] then had to contact the patient to fill in all necessary data. Will this be the case with the SC PBM?

Answer: No. In the event additional information is required, the Contractor must send the request to DHEC for further investigation.

8. Will we need to assist with patients who are partial LIS eligible?

Answer: Yes. ADAP only serves Med D clients who do not qualify for Full Low Income Subsidy (FLIS). The PBM will be required to assist with patients who are partial LIS eligible. (Refer to Page 14)

9. Will the contractor need to do a separate Medicaid eligibility determination once the electronic data list is received with patient data or will this eligibility determination already be made?

Answer: Yes. At this time, the contractor will be required to re-verify Medicaid eligibility. (Refer to Page 16 – 3.4.3)

Vendor 3

1. Is a WORD document of the RFP available? This will enable us to respond more efficiently to your request.

Answer: A word document is available upon request. Please be aware that NO changes can be made to this document, you can ONLY incorporate your response.

2. Page 23 #3 asks that bidders provide proof of experience coordinating and reporting claims and transactions to Medicare and the TrOOP facilitator. Please clarify that by reporting claims and transactions you mean Prescription Drug Events; and by TrOOP facilitator you mean Financial Information Reporting.

Answer: Reporting claims and transactions will only apply to drugs that are dispensed to the eligible clients. DHEC is referring to RelayHealth as the TrOOP facilitator

3. Page 28 and 29 contain a description of the insurance requirements of the project. Is SC DHEC open to alternate solutions for providing coverage such as an Offeror's self-insurance?

Answer: No.

4. What percentage of claims does the state expect to require tertiary billing?

Answer: DHEC performs routine eligibility checks to ensure ADAP's payer of last resort status. However, an estimate does not exist at this time due to data limitations on Medicare Part D eligibility information.

5. Does the state assess a transaction fee that the successful company must pay back the state? If yes, please provide further details.

Answer: DHEC will reimburse the PBM for the services rendered. This may include fees for coordination of benefits, verification of eligibility, coordination and reporting of TrOOP. It can also include costs incurred from the payment of Medicare Part D TrOOP deductibles, coinsurance, copayments and medications. (Refer to Page 16-17 – 3.4.5 - 4.5)

6. Can the proposed mail order option be located outside of South Carolina?

Answer: Yes. This is acceptable provided the mail order pharmacy will accept Medicare Part D plans, and is willing to ship medicines to eligible clients across South Carolina.

7. Please provide the estimated number of SPAP clients by region that are anticipated to be enrolled and participate in this program.

Answer: Refer to page 15 – See Item 3.3.1. DHEC does not have an estimated number of clients by region.

8. What is the State's proposed year 1 budget for this project?

Answer: The State is unable to release the budgeted amount for this project. The State does not wish to limit and/or impede the competitive process, and by releasing the budget for the project we would be doing so.

Vendor 4

Section I – Scope of Solicitation, Maximum Contract Period – Estimated

1. The start date is listed as March 28, 2011. Does DHEC anticipate reprocessing claims submitted before this date as a means to move clients through their Part-D benefit toward catastrophic coverage?

Answer: As of January 1, 2011, ADAP counts towards the patient's TrOOP, per the new Healthcare Reform Act. The program will consider processing claims made after 01/01/11, if it is feasible. Given the program's current dispensing model, it would be logistically difficult to process those claims.

2. End Date is listed as March 27, 2013. Are there options for extension of the program through the end of 2013 given the potential change in client coverage in 2014 due to the expansion of the Medicaid program?

Answer: See this amendment (Amendment 3) changes in Maximum Contract Period

Section III – Scope of Work/Specifications

3. A qualification is listed in section 3.1 that states "Have no other third-party insurance that pays for these medications." Is there any circumstance where DHEC anticipates that a client may be covered under another benefit (Primary coverage) where Medicare Part-D coverage is secondary, and SC ADAP coverage was inadvertently granted? Is it the Contactor's responsibility to validate, in real-

time, that a client does not have coverage other than Medicare Part-D?

Answer: The Contractor will be responsible for validating the client's Medicare Part-D coverage and any other potential insurance coverage benefits. ADAP is required to maintain the status of "payer of last resort". The Contractor will ensure that ADAP is billed as a secondary or tertiary payer, when appropriate. The program itself routinely evaluates client's benefits, and hence does not anticipate that its clients would be covered by other insurance apart from Medicare Part D. **(Refer to page 15 – 3.2)**

4. There is mention again of moving clients through the benefit toward catastrophic. Would this be accomplished through the readjudication of previous claims (see question 1) or would there be a requirement to load encounter claim data from another processor?

Answer: The Contractor will be responsible for validating the client's Medicare Part D coverage and any other potential insurance coverage benefits. ADAP is required to maintain the status of "payer of last resort". The Contractor will ensure that ADAP is billed as a secondary or tertiary payer, when appropriate. The program itself routinely evaluates client's benefits, and hence does not anticipate that its clients would be covered by other insurance apart from Medicare Part D.

5. For DUR processing/historical claim evaluation for edits, alerts, or messaging, will DHEC require the Contractor to load historical claim data for use during adjudication? Is yes, how many years of historical claim data will be required by DHEC?

Answer: DHEC will provide the Contractor with the list of prescriptions filled after 1/1/11 for loading. Refer to Answer to Question No. 1 regarding processing those claims.

6. If encounter claims or historical claims conversion and loading are required, will it be the responsibility of the Contractor to submit batch N1 transactions to the facilitator so they may be routed to the Medicare Part-D processor for TrOOP accumulation?

Answer: Refer to Question No. 1 for loading historical claims made after 1/11/11

7. In RFP Sections 3.1 and 3.2.6, there are specific references to only paying claims for medication that is on the formulary of the specified Medicare Part-D plan in which the individual SC ASAP client is enrolled. Is it the intent of DHEC to require the Contractor to load individuals Medicare Part-D formulary files, as supplied to CMS, to their claims adjudication system to maintain compliance with this specification? If yes, will DHEC provide and serve as the source of record for those files?

Answer: No. DHEC will not require the Contractor to load the individual Medicare Part-D formulary files. DHEC will require the contract to process claims only for the SC formulary drugs.

8. As accounting of the TrOOP is essential in maximizing cost avoidance for DHEC, will the contractor be required to support real-time TrOOP accumulation and evaluation of patient stage for Part-D Processing? If yes, due to the restricted SC ADAP formulary (specific therapeutic categories applicable on to the ADAP program) will DHEC require the Contractor to load, process, and validate encounter claim data from the upstream payer (Part-D Program)?

Answer: No. The Contractor will not be required to support real-time TrOOP accumulation and evaluation of patient stage for Part-D processing.

9. When SC ADAP processing moves to NCPDP D.0 claim submission, is it the expectation of DHEC that submission of benefit stage data will alter claims processing to fully evaluate the client's position in a benefit stage and alter DHEC liability for "cusp" claims?

Answer: At this time, DHEC does not anticipate taking advantage of the new features considering it is a nascent standard. The program will evaluate the NCPDP D.0 standards in the last Quarter of 2011.

10. For all interfaces and data exchanges between the Contract and DHEC, will DHEC accept and exchange files using industry standard formats so the Contractor can maintain their MITA compliance level?

Answer: DHEC currently exchanges data with its Contract Pharmacy using HIPAA compliant standards. The program will negotiate similar data exchange formats with the successful Contractor in order to maintain MITA compliance.

11. In the RFP Section 3.4.5 DHEC states "Medications listing in the ADAP formulary but not approved by the client's Medicare Part-D Plan shall be dispensed to the client and the full costs thereof shall be submitted in the monthly invoice to DHEC." This statement appears in a section that indicates that the contractor will pay Medicare Part-D deductibles, coinsurance, co-payments and costs medication during any gaps in coverage for those South Carolina ADAP clients who are enrolled in a Medicare Part-D PDP. Is it the intent of DHEC for the Contractor to pay claims for products not approved by the PDP only during gaps in coverage or throughout the client's enrollment in the SC ADAP? If this is applicable throughout the program does this obviate the need to load to the Medicare Part-D Plan formularies?

Answer: DHEC will reimburse the Contractor for dispensing SC ADAP formulary drugs that are not covered under the Med D plans to the clients. Refer to Answer to Question No. 7 regarding loading Medicare Part-D formularies.

12. In reference to RFP Section 3.11.2, will DHEC develop an electronic eligibility file using the Contractor's specified payout that will be delivered daily?

Answer: Yes. This file will be uploaded electronically on a daily basis.

13. If DHEC does not provide the electronic eligibility file daily, but does provide an electronic list of eligible clients updated daily (RFP Section 3.11.4) is it the Contractor's responsibility to perform, additions, updates, or deletions manually within their claims processing system to ensure that eligibility determination is as current as possible?

Answer: See Answer to Question No. 12.

14. In reference to EFP Section 3.11.5, will DHEC provide the SC ADAP Formulary in an industry specified and accepted format so the Contractor can maintain their MITA compliance level?

Answer: DHEC will provide the Contractor with the SC ADAP Formulary in an acceptable format.

General Question

15. Will the State consider extending the deadline for proposal submission to March 9, 2011? This additional time will allow for vendors to provide the most clear and thorough response to the RFP. If so, will the State also consider extending the program start date to June 1, 2011?

Answer: See this amendment (Amendment No. 3) for extension for proposal submission. The contract start date will NOT be extended to June 1, 2011.

Vendor 5

1. Will DHEC accept proposal submissions for PBM services utilizing a sole source mail order pharmacy?

Answer: Yes. Provided that the mail order pharmacy will accept all Medicare Part D plans, carries all of the drugs on the ADAP formulary, and is able to serve clients from across the State.

2. Can an entity be a successful bidder (contractor) if there is only a mail order option and no retail pharmacy network?

Answer: Yes. See this amendment (Amendment 3) changes in Specifications/ Scope of Work

3. Will the successful contractor bill for and collect all primary claims and co-pays on behalf of SC ADAP and if so how is the reconciliation of these collections handled? Are those monies collected considered the property of the contractor or the SC ADAP program?

Answer: The pharmacy (which is on contract with/or part of the PBM) is responsible for billing Medicare Part D as a primary payer, and billing SC ADAP as the secondary payer. The PBM will submit a monthly invoice to ADAP for the secondary charges incurred. In addition, the PBM is responsible for coordinating coverage and benefits with CMS and the Med D plan, and to ensure that applicable expenditures are credited towards the patient's TrOOP. (Refer to page 16 - 3.4.4)

4. Upon receipt of end of month invoices from contractor for services and Medicare doughnut hole expenses, how long will it take to be paid by SC ADAP?

Answer: DHEC agency standard for processing invoices is within 30 days

5. What is the preferred method of submission of cost of services? Per claim costs or overall program administration costs?

Answer: Proposals are evaluated based on a number of factors, including the capacity to submit a budget and the cost of services. Submission of either models (per transaction fee or flat fee) will be accepted. (Refer to page 21 - 4.5)

6. Can I submit additional questions up to the date specified as 02/07/2011 on the contract?

Answer: No, the deadline for questions was 5:00 PM February 16, 2011 – See Amendment No. 2. No new questions will be accepted. Only clarifications to questions addressed in this amendment (Amendment No. 3) will be accepted.

END OF AMENDMENT THREE